



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Benefit Modifications for Council Appointees and Executive Management and authorizing the execution of agreements with Council Appointees and Executive Management incorporating the benefit modifications; and Further Authorizing Outside Counsel to Draft Council Appointee (City Attorney) Employment Agreement

MEETING DATE: March 21, 2012

PREPARED BY: Human Resources Manager
Deputy City Attorney

RECOMMENDED ACTION: Adopt resolution approving benefit modifications for Council Appointees and Executive Management and authorizing the execution of agreements with Council Appointees and Executive Management incorporating the benefit modifications; and further authorizing outside Counsel to draft Council Appointee (City Attorney) employment agreement.

BACKGROUND INFORMATION: Based on direction of Council, staff recommends continuation or modification to the current salary and benefits of Council Appointees and Executive Management, as follows:

- Council Appointees and Executive Management will continue to pay 7 percent of the employee's share of retirement benefits (originally approved by Council as a concession on June 1, 2011).
- Council Appointees and Executive Management will pay 100 percent of the change in medical costs beginning January 1, 2013. Baseline will be the January 2012 lowest cost PERS HMO for the employee's family category (Family, \$1,587.14; Employee+1, \$1,220.88; Single, \$610.44).
- City will eliminate the employee co-pay for medical insurance (currently \$80 and \$104 for employee + 1 and family coverage, respectively) beginning the first pay period 14 days after Council approval of the proposed resolution.
- City will restore a match, up to a maximum of 3 percent of salary, to the Deferred Compensation contributions made by Council Appointees and Executive Management effective June 25, 2012.
- City will restore the ability of Council Appointees and Executive Management to cash-out up to 40 hours of Administrative Leave effective January 1, 2013.
- City will standardize sick leave accrual in the amount of 3.70 hours per pay period for all Council Appointees and Executive Management.
- City will standardize vacation leave accrual for those Council Appointees and Executive Managers currently accruing vacation leave at 4.62 hours per pay period as follows: Vacation leave will accrue at 4.62 hours per pay period (equivalent to five full years of service), with future leave to be accrued according to the Executive Statement of Benefits, with the employee's sixth year of service equal to the 12th year, the ninth year of service equal to the 15th year, and so on, as set forth in the Executive Statement of Benefits.

APPROVED:

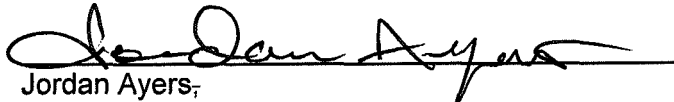
Konrad Bartlam, City Manager

Authorization is also sought authorizing the drafting and execution of agreements with Council Appointees (City Manager and City Clerk) and Executive Management incorporating the foregoing benefit modifications.

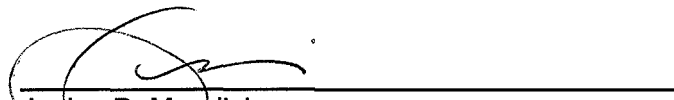
Further, authorization is sought to retain outside counsel, namely, Kronick, Moskovitz, Tiedemann & Girard, to draft the City Attorney's employment agreement for the purpose of avoiding any conflict of interest.

FISCAL IMPACT: It is estimated that these benefit modifications will save the City \$220,500 over the next two calendar years.

FUNDING AVAILABLE: Necessary funding will be included in each fiscal year budget.


Jordan Ayers,
Deputy City Manager/Internal Services Director


Dean Gualco
Human Resources Manager


Janice D. Magdich
Deputy City Attorney

RESOLUTION NO. 2012-26

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
BENEFIT MODIFICATIONS FOR COUNCIL APPOINTEES AND
EXECUTIVE MANAGEMENT EMPLOYEES AND AUTHORIZING
THE DRAFTING AND EXECUTION OF EMPLOYMENT
CONTRACTS; AND FURTHER AUTHORIZING OUTSIDE
COUNSEL TO DRAFT COUNCIL APPOINTEE (CITY ATTORNEY)
EMPLOYMENT AGREEMENT

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WHEREAS, it is recommended that Council approve the continuation or modification to current salary and benefits for Council Appointees (City Attorney, City Manager, City Clerk) and Executive Management employees (Public Works Director, Library Director, Chief of Police, Fire Chief, Deputy City Manager, Parks & Recreation and Cultural Services Director, and Electric Utility Director) as follows:

- Council Appointees and Executive Management will continue to pay 7 percent of the employee's share of retirement benefits (originally approved by Council as a concession on June 1, 2011);
- Council Appointees and Executive Management will pay 100 percent of the change in medical costs beginning January 1, 2013. Baseline will be the January 2012 lowest cost PERS HMO for the employee's family category (Family, \$1,587.14; Employee+1, \$1,220.88; Single, \$610.44);
- City will eliminate the employee co-pay for medical insurance (currently \$80 and \$104 for employee + 1 and family coverage, respectively) beginning the first pay period 14 days after Council approval of this resolution;
- City will restore a match, up to a maximum of 3 percent of salary, to the Deferred Compensation contributions made by Council Appointees and Executive Management effective June 25, 2012;
- City will restore the ability of Council Appointees and Executive Management to cash-out up to 40 hours of Administrative Leave effective January 1, 2013;
- City will standardize sick leave accrual in the amount of 3.70 hours per pay period for all Council Appointees and Executive Management; and
- City will standardize vacation leave accrual for those Council Appointees and Executive Managers currently accruing vacation leave at 4.62 hours per pay period as follows: Vacation leave will accrue at 4.62 hours per pay period (equivalent to five full years of service), with future leave to be accrued according to the Executive Statement of Benefits, with the employee's sixth year of service equal to the 12th year, the ninth year of service equal to the 15th year, and so on, as set forth in the Executive Statement of Benefits.

WHEREAS, it is recommended that the Lodi City Council authorize the drafting and execution of Employment Agreements with Council Appointees (City Manager and City Clerk) and Executive Management employees incorporating the foregoing benefit modifications: and

WHEREAS, in order to avoid a conflict of interest, it is further recommended that the City Attorney's employment agreement be drafted by outside counsel, namely, Kronick, Moskovitz, Tiedemann & Girard.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the continuation or modification to the current benefits for Council Appointees and Executive Management employees as outlined above; and

BE IT FURTHER RESOLVED that the Lodi City Council hereby authorizes the drafting and execution of Employment Agreements with Council Appointees (City Manager and City Clerk) and Executive Management employees incorporating the foregoing benefit modifications; and

BE IT FURTHER RESOLVED that the law firm of Kronick, Moskovitz, Tiedemann & Girard be retained to draft the employment agreement for Council Appointee (City Attorney), incorporating the foregoing benefit modifications.

Date: March 21, 2012

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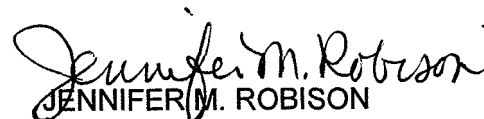
I hereby certify that Resolution No. 2012-26 was passed and adopted by the Lodi City Council in a regular meeting held March 21, 2012, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, and
Nakanishi

NOES: COUNCIL MEMBERS – Mayor Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. ROBISON
Assistant City Clerk